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10 Attorney for Party-in-Interest STANLEY E. FULTON

11 UNITED STATES BANKRUPTCY COURT

12 DISTRICT OF NEVADA

13 In Re:

14 Case Nos.:

15 BK-S-06-10725-LBR

16 BK-S-06-10726-LBR

17 BK-S-06-10727-LBR

18 BK-S-06-10728-LBR

19 BK-S-06-10729-LBR

20 USA COMMERCIAL MORTGAGE COMPANY,

21 Debtor.

22 In Re:

23 JOINTLY ADMINISTERED
Chapter 11 Cases

24 USA CAPITAL REALTY ADVISORS, LLC,

25 Debtor.

26 Judge Linda B. Riegle

27 In Re:

28 USA CAPITAL DIVERSIFIED TRUST DEED
FUND, LLC,
Debtor.
In Re:
USA CAPITAL FIRST TRUST DEED FUND,
LLC,
Debtor.
In Re:
USA SECURITIES, LLC,
Debtor.

DECLARATION OF TIMOTHY
O'REILLY IN SUPPORT OF
OPPOSITION TO THE
APPLICATION OF THE USACM
LIQUIDATING TRUST TO
COMPROMISE AND SETTLE
CONTROVERSIES WITH: PIERCY,
BOWLER, TAYLOR & KERN, PC;
AND BEADLE, MCBRIDE, EVANS &
REEVES, LLP.

1 Affects:

2 All Debtors
 3 USA Commercial Mortgage Company
 4 USA Capital Realty Advisors, LLC
 5 USA Capital Diversified Trust Deed Fund,
 LLC
 USA Commercial Mortgage Company
 USA Commercial Mortgage Company

6 I, Timothy O'Reilly, declare:

7 1. I am an attorney with the O'Reilly Law Group, LLC, (the "Firm") attorney of record
 8 for Party-in-Interest, Stanley E. Fulton ("Mr. Fulton"). I am licensed to practice before the courts
 9 of the State of Nevada, the United States District Court, and the Bankruptcy Court for the State of
 10 Nevada. I am submitting this Declaration in Support of the Oppositions of Mr. Fulton to the
 11 Application of Geoffrey Berman, Trustee ("Trustee") of the USACM Liquidating Trust (the
 12 "USACM Trust") and Michael Tucker, Manager ("Manager;" the Trustee and Manager are
 13 collectively referred to as the "Trustee/Manager"), of the USA Capital Diversified Trust Deed
 14 Fund, LLC ("DTDF") to Compromise and Settle Controversies (the "Motion") with: Piercy,
 15 Bowler, Taylor & Kern PC ("PBTK"); and Beadle, McBride, Evans & Reeves, LLP, et al.
 16 ("BMER"). I know each of the following facts to be true of my own personal knowledge and,
 17 except as therein stated, and if called as a witness, I could and would competently testify with
 18 respect thereto.

19 2. Mr. Fulton is a defendant in an adversary action brought by the Trustee for the
 20 alleged: avoidance of transfers; unjust enrichment, money had and received, and liability for treble
 21 damages for allegedly receiving \$2 million, knowing that the funds were misappropriated by theft
 22 and/or other offense(s) that constitute a crime against property. See Adversary Actions USACM
 23 Liquidating Trust, et. al. v. Stanley E. Fulton, et al, Adversary Proceeding Number 08-01132-lbr;
 24 ("Adversary Action"). Copy of the Adversary Action is attached as Exhibit "1" respectively.

25 3. The Adversary Action is in the initial stages of litigation, with initial disclosures
 26 occurring on September 9, 2008, by the Defendants and September 26, 2008, by the Plaintiffs.

1 Written discovery, specifically requests for production of documents, was recently propounded by
2 Plaintiffs this week, and the discovery cutoff date is not scheduled until February 23, 2009.

3 4. Mr. Fulton vehemently denies the allegations set forth in the Adversary Action.
4 Nevertheless, to the extent they face any potential liability under the Adversary Action, Mr. Fulton
5 wishes to preserve his claim to mitigate such damages including, but not limited to, any claims for
6 indemnity or contribution.

7 5. In an attempt to resolve this matter short of litigation, we attempted to obtain
8 clarification of legal authority that the Trustee/Manager was relying upon for the Bar Order and, in
9 response, was merely directed to the Motion. See e-mail correspondence dated October 28, 2008, a
10 copy of which is attached as Exhibit "2."

11 I declare under penalty of perjury under the law of the State of Nevada that the foregoing is
12 true and correct.

13 Executed this 6 day of November, 2008, in Las Vegas, Nevada.

T-R O'Reilly
TIMOTHY O'REILLY